



IMPERIAL BANK OF CANADA

SIXTY - THIRD
ANNUAL REPORT
PRESENTED TO THE
SHAREHOLDERS
NOVEMBER 24th
1937

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Imperial Bank of Canada

Head Office: Toronto

Established 1875

CAPITAL AUTHORIZED . \$10,000,000.00

CAPITAL PAID UP . . . 7,000,000.00

RESERVE FUND . . . 8,000,000.00

Sixty-Third Annual Report
1937

Imperial Bank of Canada

ESTABLISHED 1875

CAPITAL (AUTHORIZED) - - - - -	\$10,000,000.00
CAPITAL (PAID UP) - - - - -	7,000,000.00
RESERVE FUND - - - - -	8,000,000.00

DIRECTORS

A. E. PHIPPS, PRESIDENT			
FRANK A. ROLPH, CHAIRMAN OF THE BOARD			
COL. J. F. MICHIE, VICE-PRESIDENT		R. S. WALDIE, VICE-PRESIDENT	
G. C. HEINTZMAN	J. W. HOBBS	WALTER C. LAIDLAW	JOHN A. NORTHWAY
G. H. AIKINS, K.C. (Winnipeg)		H. E. SELLERS (Winnipeg)	
R. O. McCULLOCH (Galt)	W. B. WOODS	ARTHUR L. BISHOP	
E. E. BUCKERFIELD (Vancouver)	C. G. COCKSHUTT	(Brantford)	

HEAD OFFICE, TORONTO

H. T. JAFFRAY, GENERAL MANAGER
W. G. MORE, ASSISTANT GENERAL MANAGER
G. D. RITCHIE, ASSISTANT GENERAL MANAGER
W. BOURKE, SUPERINTENDENT OF WESTERN BRANCHES (Winnipeg)
P. H. JONES, SUPERINTENDENT OF EASTERN BRANCHES (Toronto)
H. D. SCOTT, SUPERINTENDENT OF FOREIGN BUSINESS
L. S. MACKERSY, ASST. SUPT. OF WESTERN BRANCHES (Winnipeg)
JOHN HADDEN, SECRETARY

SUPERVISORS' DEPARTMENT

E. K. BOULTBEE, GENERAL SUPERVISOR
I. K. JOHNSTON, ASSISTANT GENERAL SUPERVISOR

Supervisors

H. C. HOUSTON	B. E. HOWARD
A. YOUNG	R. M. VIRTUE (Winnipeg)

INSPECTORS' DEPARTMENT

A. L. OGDEN, CHIEF INSPECTOR

Inspectors

A. C. ROME	P. W. PAIN	H. RILEY	H. J. MORGAN
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BRANCHES

PROVINCE OF ONTARIO

TORONTO—

KING & BAY STS. (HEAD OFFICE).....	A. R. MARTIN.....	Manager
	J. S. PROCTOR.....	1st Assistant
	R. J. REDRUPP.....	2nd
ADELAIDE & VICTORIA STS.....	C. G. GREEN.....	"
BATHURST & DUPONT STS.....	A. W. BARLOW.....	"
BAY & TEMPERANCE STS.....	E. J. CASE.....	"
BAYVIEW AVE., LEASIDE.....	G. WELFORD.....	"
BLOOR & BATHURST STS.....	K. G. MIGHT.....	"
BLOOR & DURIE STS.....	J. S. CARTER.....	"
BLOOR ST. & LANSDOWNE AVE.....	R. R. BROWN.....	"
No. 78 CHURCH ST.....	W. H. GREEN.....	"
CHURCH & CARLTON STS.....	F. TURNER.....	"
DANFORTH & CARLAW AVES.....	D. N. WRIGHT.....	"
DUNDAS & BLOOR STS.....	S. S. JONES.....	"
DUNDAS & JARVIS STS.....	A. T. SMITH.....	"
DUNDAS ST. & UNIVERSITY AVE.....	J. W. THOMSON.....	"
DUNDAS & VICTORIA STS.....	A. H. WEAVER.....	"
BGLINTON AVE. & MOUNT PLEASANT ROAD.....	B. B. VALE.....	"
KING & MARKET STS.....	H. A. INGLIS.....	"

TORONTO—(Cont.)

KING & SHERBOURNE STS.	O. L. METTLER	Manager
KING ST. & SPADINA AVE.	G. R. MURTON	
KING & YORK STS.	E. H. ANDERSON	
KINGSTON ROAD & BALSAM AVE.	J. B. ATKINS	
LEASIDE	H. G. WATERS	
MONARCH PARK & DANFORTH AVES.	H. T. BEATY	
NEW TORONTO	P. E. THOMLINSON	
OAKWOOD AVE. & ROGERS RD.	T. M. SUTTON	
PAPE & SAMMON AVES.	S. McCUTCHEON	
QUEEN & BATHURST STS.	J. M. HOUSTON	
QUEEN ST. & CARLAW AVE.	H. A. CROSS	
QUEEN ST. & KINGSTON RD.	H. S. HADGRAFT	
QUEEN ST. & RONCESVALLES AVE.	M. R. HAY	
RUNNYMEDE & ANNETTE STS.	J. ANDERSON	
ST. CLAIR & BOON AVES.	W. W. FIELD	
ST. CLAIR AVE. & RUNNYMEDE RD.	F. W. CUMMINS	
SILVERTHORN AVE. & ROGERS RD.	M. J. GOULD	
WELLESLEY & SHERBOURNE STS.	K. H. LOVE	
WELLINGTON ST. & LEADER LANE	E. N. BATE	
WEST TORONTO	W. E. CUSLER	
WOODBINE & SAMMON AVES.	A. D. LEWIS	
431 YONGE ST.	G. S. THOMPSON	
1953 YONGE ST.	A. H. WILSON	
YONGE & BLOOR STS.	J. B. PRIESTMAN	
YONGE & QUEEN STS.	P. B. REEVE	
AMHERSTBURG	W. A. PATTERSON	
AURORA	H. M. MCKENZIE	
BEARDMORE	H. G. SCOTT	
BOLTON	W. A. GREENWOOD	
BRANTFORD	D. SUTHERLAND	
CALEDON EAST	(Sub Branch to Bolton)	
CHATHAM	N. B. CUMMINS	
COBALT	E. T. CUTTLE	
COCHRANE	L. R. ANDERSON	
COTTAM	W. J. GOLDEN	
CRYSTAL BEACH	(Sub Branch to Ridgeway)	
ENGLEHART	R. E. TRACY	
ESSEX	W. R. RODGER	
FERGUS	F. T. KYLE	
FONTHILL	G. L. GORDON	
FORT WILLIAM	W. M. PORTER	
GALT	T. R. RICHARDSON	
HAMILTON	W. H. COGHILL	
HARROW	A. L. SONLEY	
HEARST	G. MENUZ	
HUMBERSTONE	F. R. WILSON	
INGERSOLL	T. R. JONES	
JORDAN	(Sub Branch to Vineland)	
JORDAN STATION	(Sub Branch to Vineland)	
KAPUSKASING	C. A. KEHOE	
KENORA	A. M. OWEN	
KIRKLAND LAKE	C. L. GRIDDALE	
KITCHENER	D. G. P. FORBES	
LARDER LAKE	W. A. McTAVISH	
LISTOWEL	L. T. CHARLTON	
LONDON	H. ROBERTS	
MATHESON	J. BRAWLEY	
NASHVILLE	(Sub Branch to Bolton)	
NEW LISKEARD	J. S. INK	
NEWMARKET	F. H. HEWSON	
NIAGARA FALLS	JOHN THOMSON	
"	D. HUGHES	
"	J. H. ARKELL	
"	J. A. GROSKURTH	
NIAGARA-ON-THE-LAKE	R. H. MONTGOMERY	
NOBLETON	(Sub Branch to Schomberg)	
NORTH BAY	M. G. COBURN	
OTTAWA	J. WALKER	
PALGRAVE	(Sub Branch to Bolton)	
PICKLE CROW	(Sub Branch to Sioux Lookout)	
PORT ARTHUR	J. W. WILLIS	
PORT COLBORNE	J. F. MACKAY	
PRESTON	F. B. THOMSON	
RED LAKE	H. B. HENDERSON	
RICHARDS LANDING	J. T. BEWS	
RIDGEWAY	C. A. HAMILTON	
St. CATHARINES	E. J. BAKER	
"	C. C. CASE	
"	A. F. ROBERTSON	
"	EAST END	
"	MARKET	

ST. DAVIDS.....	A. T. MINNIS.....	Manager
ST. THOMAS, EAST END.....	J. R. HENLEY.....	"
" WEST END.....	M. A. RICHARDSON.....	"
SANDWICH.....	E. B. REYNOLDS.....	"
SAULT STE. MARIE.....	J. D. PATTERSON.....	"
" GORE & QUEEN STS.....	R. B. WANSBROUGH.....	"
SCHOMBERG.....	E. SMITH.....	"
SIOUX LOOKOUT.....	J. A. HODDER.....	"
SOUTH PORCUPINE.....	F. E. COOPER.....	"
STAMFORD.....	C. W. GRIME.....	"
SUDBURY.....	W. G. CHAMBERS.....	"
THESSALON.....	W. MCGUIRE.....	"
THOROLD.....	H. M. SAMPSON.....	"
TIMMINS.....	H. C. SCARTH.....	"
VINELAND.....	E. H. COLEMAN.....	"
WALKERVILLE.....	W. T. CARTHEW.....	"
" TECUMSEH ROAD.....	H. J. ARBUCKLE.....	"
WELLAND.....	F. C. TROTT.....	"
WINDSOR.....	G. J. LACKNER.....	"
WOODSTOCK.....	L. R. LLOYD.....	"

PROVINCE OF QUEBEC

BOURLAMAQUE.....	K. N. ALLAN.....	Manager
MONTREAL.....	A. R. B. HEARN.....	"
"	G. F. LOVE.....	Assistant
NORANDA.....	G. C. DUNLOP.....	"
ROUYN.....	J. R. BUNN.....	"

PROVINCE OF MANITOBA

BRANDON.....	R. CARSON.....	Manager
GIMLI.....	(Sub Branch to Riverton)	"
PORTAGE LA PRAIRIE.....	G. W. STERLING.....	"
RIVERTON.....	J. C. B. WILLIAMSON.....	"
WINNIPEG.....	A. D. DUNCAN.....	"
" ARLINGTON ST. & WESTMIN.....	"	"
" STER AVE.....	C. E. BROWN.....	"
" NORTH END.....	T. J. SLATTERY.....	"
" ST. VITAL.....	R. S. MCCLAY.....	"

PROVINCE OF SASKATCHEWAN

ASSINIBOIA.....	J. E. JOHNSON.....	Manager
BALGONIE.....	M. E. A. MARSHALL.....	"
BENGOUGH.....	C. D. HARDY.....	"
BRACKEN.....	L. J. BERGMAN.....	"
BROADVIEW.....	R. MAVOR.....	"
CANWOOD.....	D. C. HOWELL.....	"
CODERRE.....	O. L. KIMBALL.....	"
FORT QU'APPELLE.....	H. WILLSON.....	"
HAGUE.....	L. F. FLURY.....	"
HANDEL.....	R. D. FORRESTER.....	"
HEPBURN.....	J. B. SCHMOR.....	"
LAIRD.....	E. L. MEERES.....	"
MAYMONT.....	H. B. MCLEISH.....	"
MEADOW LAKE.....	J. H. NELSON.....	"
MIDALE.....	R. L. WASSON.....	"
MOOSE JAW.....	A. S. ROSENROLL.....	"
MOSSBANK.....	J. GARRISON.....	"
NORTH BATTLEFORD.....	F. R. MUIR.....	"
PANGMAN.....	M. J. MONGEON.....	"
PIAPOT.....	L. L. MASON.....	"
PRINCE ALBERT.....	J. W. MCDIARMID.....	"
REGINA.....	F. W. SCRIMES.....	"
ROCKGLEN.....	C. A. BLAD.....	"
ROSTHERN.....	F. C. F. ROUTLEDGE.....	"
SASKATOON.....	J. A. C. CLOKIE.....	"
SPRINGWATER.....	A. J. RICHES.....	"
STOUGHTON.....	E. I. SHAW.....	"
WEYBURN.....	P. R. NEELY.....	"
WILKIE.....	W. P. GRAHAM.....	"
YELLOW GRASS.....	E. G. BROWELL.....	"

PROVINCE OF ALBERTA

ATHABASCA.....	J. G. DEACON.....	Manager
BANFF.....	W. V. GODDARD.....	"
CALGARY.....	W. L. GILLILAND.....	"
" EAST END.....	J. S. W. CLOWES.....	"
DONALDA.....	MARK COOK.....	"
ECKVILLE.....	H. S. MANN.....	"
EDMONTON.....	J. A. WETMORE.....	"
".....	D. N. GRUBB.....	Acting Asst.
" NORWOOD BOULEVARD....	J. VEREKER.....	"
" SOUTH.....	J. M. KINNEAR.....	"
" WEST.....	H. W. HARRISON.....	"
EDSON.....	H. C. MacDONALD.....	"
FERINTOSH.....	J. MacGREGOR.....	"
GRANDE PRAIRIE.....	C. C. FAWCETT.....	"
JASPER.....	A. MCKENZIE.....	"
MILLET.....	J. A. ENGLISH.....	"
NEW NORWAY.....	J. C. MOSS.....	"
RED DEER.....	J. BALLANTYNE.....	"
ROCKY MOUNTAIN HOUSE.....	S. G. HOOKER.....	"
SANGUDO.....	J. H. CLARK.....	"
SYLVAN LAKE.....	F. L. APPLETON.....	"
WETASKIWIN.....	J. B. BLACK.....	"
	A. FREESON.....	Assistant

PROVINCE OF BRITISH COLUMBIA

CRANBROOK.....	J. D. MCGILLIVRAY.....	Manager
FERNIE.....	H. L. REID.....	"
GOLDEN.....	F. P. THOMAS.....	"
INVERMERE.....	A. ASHWORTH.....	"
NATAL.....	G. B. TURNER.....	"
NELSON.....	W. R. GRUBBE.....	"
REVELSTOKE.....	W. K. WICKENS.....	"
VANCOUVER.....	W. M. SELLENS.....	"
" FAIRVIEW.....	K. ANDERSON.....	"
" HASTINGS & ABBOTT STS..	C. G. T. HARCOURT.....	"
VICTORIA.....	J. H. D. BENSON.....	"

Imperial Bank of Canada

Principal Agents and Correspondents

CANADA.....	Bank of Montreal
GREAT BRITAIN...	{ Lloyds Bank Limited British Overseas Bank Limited District Bank Limited Commercial Bank of Scotland Limited
IRELAND.....	{ Munster & Leinster Bank Limited Northern Bank Limited
BELGIUM.....	Lloyds & National Provincial Foreign Bank Limited
FRANCE.....	Lloyds & National Provincial Foreign Bank Limited
GERMANY.....	Dresdner Bank
HOLLAND.....	Rotterdamsche Bankvereeniging N.V.
ITALY.....	{ Credito Italiano Banca Commerciale Italiana
NORWAY.....	Bergens Privatbank
SWITZERLAND.....	Lloyds & National Provincial Foreign Bank Limited
UNITED STATES...	NEW YORK—Bank of the Manhattan Company Chase National Bank Guaranty Trust Co. of New York Irving Trust Company National City Bank of New York BOSTON—First National Bank of Boston National Shawmut Bank of Boston BUFFALO—Marine Trust Company of Buffalo CHICAGO—Continental Illinois National Bank & Trust Co. First National Bank of Chicago CLEVELAND—National City Bank of Cleveland DETROIT—National Bank of Detroit Manufacturers National Bank of Detroit DULUTH—First & American National Bank LOS ANGELES—Citizens National Trust & Savings Bank MINNEAPOLIS—First National Bank & Trust Company NIAGARA FALLS, N.Y.—Power City Trust Co. PHILADELPHIA—Philadelphia National Bank First National Bank PORTLAND, ORE.—United States National Bank ROCHESTER, N.Y.—Lincoln-Alliance Bank and Trust Company SAN FRANCISCO—Wells Fargo Bank & Union Trust Company SEATTLE—Seattle-First National Bank SPOKANE—Seattle-First National Bank
CHINA AND JAPAN..	Hongkong & Shanghai Banking Corporation Bank of China American Express Co.
INDIA.....	Lloyds Bank Limited
AUSTRALIA AND NEW ZEALAND..	{ Bank of New South Wales Union Bank of Australia Limited
SOUTH AFRICA....	Standard Bank of South Africa Limited
SOUTH AMERICA..	Bank of London & South America Limited

Imperial Bank of Canada

PROCEEDINGS

OF THE

SIXTY-THIRD ANNUAL GENERAL MEETING OF THE
SHAREHOLDERS

*Held at the Banking House of the Institution in Toronto,
on Wednesday, 24th November, 1937,
at 2.30 p.m.*

The Sixty-third Annual General Meeting of the Imperial Bank of Canada was held at the Head Office of the Bank in Toronto, on Wednesday, 24th November, 1937.

Amongst those present were:—Col. G. H. Aikins, K.C. (Winnipeg), W. J. Aitchison (Hamilton), Robert J. Armbrust (Chantler), H. S. Banfield, C. F. Bate, W. F. Beck (Penetanguishene), A. M. Bethune, Arthur L. Bishop, E. E. Buckerfield (Vancouver), A. R. Capreol, E. J. Case, William Charles, Blain Cherry, John Chinn, H. F. Crosthwaite (Hamilton), T. E. Davies (Port Colborne), Duncan R. Derry, Ven. Archdeacon W. J. Doherty, William M. Douglas, Henry W. Dow (Hamilton), W. J. Equi, J. B. Gillies (Burlington), S. H. B. Grasett, J. Hadden, L. A. Hamilton (Lorne Park), Frank A. Harrison, W. D. Hay, A. R. B. Hearn (Montreal), G. C. Heintzman, J. W. Hobbs, H. C. Houston, H. T. Jaffray, W. G. Jaffray (Oakville), John B. Kay, A. M. M. Kirkpatrick, G. L. Lackner, W. C. Laidlaw, A. R. Martin, Col. J. F. Michie, W. G. More, J. W. McDiarmid (Prince Albert, Sask.), W. L. McDonald,

Imperial Bank of Canada

Allan McPherson (Orillia), John A. Northway, A. L. Ogden, F. G. Osler, John D. Patterson (Sault Ste. Marie), A. E. Phipps, J. G. Ramsey, H. F. Rice, A. F. Robertson (St. Catharines), Frank A. Rolph, A. C. Rome, Robert Ross, Henry C. Roxborough, H. W. Scarff (St. Thomas), James Scott, A. H. Seguin, H. E. Sellers (Winnipeg), Charles Swabey, K.C., F. G. Venable, H. Frank Vigeon, R. S. Waldie, J. Walker (Ottawa), James S. Whicher (Caledonia), Peter White, K.C., William K. Wickens (Revelstoke), W. B. Woods.

The Chair was taken by the President, Mr. A. E. Phipps, and Mr. W. G. More was appointed to act as Secretary. Messrs. Charles Swabey, K.C., and A. H. Seguin were appointed Scrutineers.

The notice calling the meeting was read by the Secretary, and the Minutes of the last Annual General Meeting were taken as read and were confirmed.

Imperial Bank of Canada

The Directors' Report and Annual Statement were read by the Secretary as follows:—

REPORT

The Directors have pleasure in presenting the Sixty-third Annual Report and Balance Sheet of the business and affairs of the Bank as on 30th October, 1937, together with Statement of Profit and Loss Account showing the result of the operations for the year.

Profits for the year ended 30th October, 1937,
after providing for

Dominion and Provincial Taxes.....	\$292,166.52	
Staff Pension and Guar- antee Funds.....	82,500.00	
and making appropriations to contingent accounts, out of which accounts full pro- vision for bad and doubtful debts has been made.....		\$967,977.19
Dividends at the rate of 10% per annum..		700,000.00
		\$267,977.19
Written off Bank Premises...	\$100,000.00	
Reserved for contingencies....	150,000.00	
		250,000.00
Balance of Profits carried forward.....		\$ 17,977.19
Profit and Loss Balance 31st October, 1936..		620,055.53
Profit and Loss Balance 30th October, 1937.		<u>\$638,032.72</u>

On December 30th last Mr. Frank A. Rolph retired as President of the Bank and was elected Chairman of the Board, Mr. A. E. Phipps, formerly General Manager, was elected President and Mr. H. T. Jaffray, formerly Assistant General Manager, was appointed General Manager.

In accordance with the authority given at the last Annual General Meeting to increase the number of Directors to fifteen, three new Directors, Mr. Arthur L. Bishop, Mr. E. E. Buckerfield of Vancouver, and Mr. C. Gordon Cockshutt of

Imperial Bank of Canada

Brantford, have been added to the Board. All are men of wide business experience and it is hoped their selection will meet with your entire approval.

During the year Branches of the Bank were opened at Bayview Avenue, Leaside, Ontario; at Larder Lake, Ontario, and at Bourlamaque and Rouyn in the Province of Quebec. The following Branches were closed:—Crampton, sub to Ingersoll, Ontario; Jellicoe, sub to Beardmore, Ontario; Creelman, Goodwater, Griffin, Readlyn and Tribune all in the drought area in Saskatchewan, and Edberg, Alberta.

All offices of the Bank including the Head Office have, in accordance with the invariable custom, been carefully inspected during the year and the Auditors appointed by you have also made their examinations as required by The Bank Act. Their Report and Certificate is attached to the Balance Sheet.

It again affords your Directors much pleasure to record their high appreciation of the efficient manner in which the various officers of the Bank continue to discharge their respective duties.

All of which is respectfully submitted.

A. E. PHIPPS,

Toronto, 23rd November, 1937.

President.

PROFIT AND LOSS ACCOUNT

30th OCTOBER, 1937

Profits for the year ended 30th October, 1937, after providing for	
Dominion and Provincial Taxes..	\$292,166.52
Staff Pension and Guarantee Funds.....	82,500.00
and making appropriations to contingent accounts, out of which accounts full provision for bad and doubtful debts has been made.....	\$967,977.19
Dividends at the rate of 10% per annum.....	700,000.00
	<u>\$267,977.19</u>
Written off Bank Premises.....	\$100,000.00
Reserved for contingencies.....	150,000.00
	<u>250,000.00</u>
Balance of Profits carried forward.....	\$ 17,977.19
Profit and Loss Balance 31st October, 1936.....	620,055.53
Profit and Loss Balance 30th October, 1937.....	<u><u>\$638,032.72</u></u>

RESERVE FUND

Balance at Credit of Account 30th October, 1937.....	<u><u>\$8,000,000.00</u></u>
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A. E. PHIPPS,
President.

H. T. JAFFRAY,
General Manager.

Imperial Bank of Canada

SIXTY-THIRD ANNUAL

30th OCTOBER

LIABILITIES

Notes in Circulation.....	\$ 6,044,775.00
Deposits by and balances due to Dominion Government.....	\$ 2,378,936.34
Deposits by and balances due to Provincial Governments.....	6,348,274.50
Deposits by the public not bearing interest.....	32,262,890.04
Deposits by the public bearing interest, including interest accrued to date of Statement.....	91,207,987.56
Deposits by and balances due to other Chartered Banks in Canada.....	\$ 1,567,841.47
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries.....	3,105,427.92
	4,673,269.39
	\$142,916,132.83
Acceptances and Letters of Credit Outstanding.....	936,888.35
Capital Paid Up.....	\$ 7,000,000.00
Reserve Fund.....	8,000,000.00
Dividends declared and unpaid.....	176,365.48
Balance of Profits as per Profit and Loss Account.....	638,032.72
	15,814,398.20

AUDITORS' REPORT TO SHAREHOLDERS

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Balance Sheet as at 30th October, 1937, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

The above Balance Sheet does not include money which has been set aside by the Shareholders from time to time for the purpose of a Pension Fund.

A. B. SHEPHERD, F.C.A.
of Peat, Marwick, Mitchell & Co.
W. D. GLENDINNING, C.A.
of Glendinning, Gray & Roberts.

Toronto, 16th November, 1937.

\$159,667,419.38

Imperial Bank of Canada

BALANCE SHEET

1937

ASSETS

Gold held in Canada.....	\$	719.66	
Subsidiary Coin held in Canada.....		277,187.34	
Notes of Bank of Canada.....		4,624,189.00	
Deposits with Bank of Canada.....		8,090,465.69	
Notes of other Chartered Banks.....		307,905.00	
Government and Bank Notes other than Canadian.....		106,211.91	
			\$ 13,406,678.60
Deposit with the Minister of Finance for the security of note circulation.....		308,137.96	
Cheques on other Banks.....		6,466,452.89	
Deposits with and balances due by other Chartered Banks in Canada.....		619,304.23	
Due by Banks and Banking Correspondents elsewhere than in Canada.....		2,516,932.22	
			\$ 23,317,505.90
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value.....	\$11,750,146.32		
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value.....		38,533,500.44	
Canadian Municipal Securities, not exceeding market value.....		4,165,148.61	
Other Bonds, Debentures and Stocks, not exceeding market value.....		110,930.64	
			54,559,726.01
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover.....	\$	6,166,163.58	
Loans to Provincial Governments.....		5,967,423.02	
Loans to Cities, Towns, Municipalities and School Districts.....		6,458,544.38	
			18,592,130.98
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for.....		55,168,477.28	
Non-current Loans, estimated loss provided for.....		338,768.84	
Real Estate other than Bank Premises.....		260,060.12	
Mortgages on Real Estate sold by the Bank.....		372,282.91	
Bank Premises, at not more than cost, less amounts, if any, written off.....		6,000,000.00	
Liabilities of Customers under Acceptances and Letters of Credit as per contra.....		936,888.35	
Other Assets not included under the foregoing heads..		121,578.99	
			<u>\$159,667,419.38</u>

A. E. PHIPPS,
President.

H. T. JAFFRAY,
General Manager.

THE GENERAL MANAGER'S ADDRESS

You are all aware no doubt that during the past year changes have occurred in the Executive organization of the Bank, as a result of which it is my privilege to report to you to-day for the first time in the capacity of your General Manager.

May I say that I very deeply appreciate both the honour and the responsibilities that have devolved upon me, and can only assure you that I shall at all times do my utmost to warrant the confidence that has been placed in me. I am indeed fortunate in that I have to help me the long experience and proven judgment of your President, whose advice on all matters is available to me from day to day. I should also like to express my appreciation of the assistance I have received from your Board of Directors, one and all.

PROFIT AND LOSS

As the statement this year is in the same form as a year ago it is easily comparable and shows that, after provision for Dominion and Provincial taxes and contributions to the Staff Pension and Guarantee Funds to a total amount of \$374,666.52, as compared with \$368,473.62, the year's profits amounted to \$967,977.19 as compared with \$962,813.37—a moderate increase of \$5,163.82.

From these profits the usual dividend of 10%, amounting to \$700,000, has been paid. \$100,000 has been written off Bank Premises, \$150,000 has been transferred to the Inner Reserves against unforeseen contingencies, and \$17,977.19 carried forward, making balance carried forward in Profit and Loss Account \$638,032.72 as compared with \$620,055.53 a year ago. We consider the showing satisfactory and hope you will agree.

Turning to the Balance Sheet, and taking the Liabilities first in the order in which they appear, our notes in Circulation amount to \$6,044,775—a decrease from a year ago of \$65,890. The authorized limit of our circulation is now \$6,300,000 and on January 1st next will reduce to \$5,950,000. It is essential that we keep safely within our authorized limit, so this item will contract from year to year.

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DEPOSITS

Once more we are able to report a satisfactory increase of \$7,581,169 in deposits from a total of \$124,616,919 a year ago to \$132,198,088. Of this increase you will note that \$3,852,324 is an increase in the balances of the Dominion and Provincial Governments. Deposits not bearing interest, which are ordinary Current Account balances, show a slight fluctuation downwards of \$932,669, and Interest Bearing Deposits an increase of \$4,661,514. Balances due to Agents and Correspondents, at home and abroad, amount to \$4,673,269 making total liabilities to the Public of \$142,916,132 as compared with \$133,879,821 a year ago—an increase of \$9,036,311.

Turning to the Assets:

CASH POSITION

Our cash holdings, including our deposit with the Bank of Canada, amount to \$23,317,505 compared with \$20,818,869 a year ago—an increase of almost exactly \$2,500,000 and making the percentage of our actual cash to total liabilities 16.3%. Included, however, in the item of Dominion and Provincial Government securities due within Two Years there were \$5,500,000 of Dominion of Canada Treasury Bills, all maturing within 90 days and immediately available if necessary, and adding these to our actual cash holdings, the percentage of cash and treasury bills to our total liabilities is 20.15%. Last year it was 17.4%.

SECURITIES

Including the Treasury Bills, we held on October 30th Dominion and Provincial direct and guaranteed securities to a total amount of \$50,283,646 as compared with \$47,495,334 a year ago—an increase of \$2,788,312 which you will note is nearly all in securities maturing within two years and which totalled \$11,750,146 as compared with \$9,424,887 a year ago. I would draw to your attention at this point that, in keeping with the long standing policy of the Bank of maintaining a strong liquid position, against an increase of approximately \$9,000,000 in total liabilities to the Public we show an increase in cash and readily available short term securities of \$4,800,000, or over 53% of the amount.

Municipal securities not exceeding market value, and other Bonds, Debentures, and Stocks, totalled \$4,276,078 as com-

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pared with \$4,093,515 a year ago, making a grand total of securities of \$54,559,726 as against \$51,588,850—an increase of approximately \$3,000,000 which as I have already pointed out is almost entirely in securities of a very early maturity.

CALL LOANS

Call Loans at \$6,166,163 are down \$1,607,987 as compared with a year ago—a reflection of stock market conditions.

Loans to Provincial Governments at \$5,967,423 show a slight increase of \$267,000, and Loans to Cities, Towns, and Municipalities at \$6,458,544, a minor reduction of \$108,000.

Adding together our cash holdings \$23,517,505, our security holdings \$54,559,726, and our quickly realizable loans \$18,592,130, we get a total of \$96,469,361 of cash and readily realizable assets—an amount equal to 67.46% of our total liabilities to the Public. Last year the corresponding figure was 69.05%.

CURRENT LOANS

It is pleasing to the Management to be able to report that Current Loans at \$55,168,477 compared with \$50,217,639 a year ago, show an increase of \$4,950,738 or almost \$5,000,000. This is in spite of the fact that owing to the very small crop in Western Canada our loans to grain customers are even less than they were a year ago. The total increase in Current Loans of all the Canadian Banks as on September 30th, 1937 (last figures available) as compared with October 31st, 1936, is \$62,833,660 or 8.9%. For the same period our Current Loans increased 9.4% and for the year to October 30th, 1937, they increased 9.8% indicating that we have fully maintained our proportion of active business. This increase in Current Loans is also encouraging in that it is a direct result of improved business conditions, and reflects the increased requirements of our Manufacturing, Distributing, Importing and Exporting customers resulting from increased turnover.

The Bank Premises Account remains at \$6,000,000. New Premises have been erected during the year at Ottawa, where we now own and occupy our own building, and at two or three smaller points.

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The moderate amount of assets under the remaining headings of the Balance Sheet show little change, and require no comment.

Taken as a whole we consider the Balance Sheet indicates that your Bank continues to grow and to maintain a strong liquid position, and is at all times ready to take on new desirable business.

BRANCHES

The Branches of the Bank now number 190. During the year new Branches were opened at Bayview Ave., Leaside, Ontario; Larder Lake, Ontario; Bourlamaque, and Rouyn, Quebec; and Branches were closed at Crampton, sub to Ingersoll, Ontario; Jellicoe, sub to Beardmore, Ontario; Griffin, Creelman, Goodwater, Tribune, and Readlyn, all in the Saskatchewan drought area; and at Edberg, Alberta.

SHAREHOLDERS

The Shareholders of the Bank now number 2,596 as compared with 2,631 a year ago. The shares held by residents of the United States total 7,080 divided amongst 313 shareholders, as compared with 7,703 divided amongst 324 shareholders last year.

STAFF

The Staff of the Bank now totals 1,412 compared with 1,367 a year ago, and I wish to take this opportunity to thank every member of the Staff, from the highest to the lowest, for the loyalty and wholehearted support that they have given me during the past year. The results, as disclosed by the Balance Sheet and the Profit and Loss Account, are in a large measure due to their efforts, and could not have been accomplished otherwise.

The President in his report will deal with the general business situation in Canada and I do not propose to do so. I have had the opportunity of perusing his remarks, and am fully in accord with the views he will express.

THE PRESIDENT'S ADDRESS

You will have observed the change in the procedure this year, the General Manager explaining the Balance Sheet before my own address. We consider this a more logical way of conducting the meeting.

At our last meeting by By-law No. 42 the authorized number of Directors was raised from 12 to 15. On 27th January the Board appointed Colonel Arthur L. Bishop of Toronto and Mr. E. E. Buckerfield of Vancouver and shortly after on 3rd February Mr. C. Gordon Cockshutt of Brantford. These gentlemen are here to-day except Mr. Cockshutt, who is suffering from a slight indisposition, and will offer themselves for election.

For some time Mr. Rolph, who has been a Director since 1919, had expressed a desire to be relieved of some of his duties and responsibilities, having given very close attention to the affairs of the Bank for the past seven years as President. On December 30th, 1936, his resignation as President was at his own request accepted and he was immediately appointed Chairman of the Board. We hope that he will continue as Chairman of the Board for many years. As you know I was selected to fill the position of President and Chief Executive Officer. Mr. H. T. Jaffray the former Assistant General Manager, who has been my close associate for over 30 years, was selected to succeed me as General Manager and two Assistant General Managers were appointed, Mr. W. G. More and Mr. Gordon D. Ritchie both experienced and seasoned officers in the Bank's service. I think the result of the year's operations and the Balance Sheet which is in your hands and which Mr. Jaffray has explained to you indicate that the choice of the General Manager was an eminently wise one and that the Executive functions are in thoroughly capable hands.

PUBLIC FINANCING

Published figures place the surplus revenues of the Dominion for the seven months ended 31st October at \$33,372,000 against a deficit at the same time last year of upwards of \$64,000,000—a truly remarkable turnover. The improvement is partly due to lessened expenditures of \$44,000,000 but to a greater degree to larger revenues;

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Customs duties, Excise duties, Excise taxes, Income taxes, and Post Office receipts altogether showing an increase of \$53,000,000 for the period. This increase in revenue if it indicates anything means greater activity in almost all forms of business. We hope that this improvement will continue and may be taken as a sign that there will be no increase in Dominion taxes next year but that we may hope for some amelioration.

Provincial finances with exceptions appear to be in a healthy condition. The position of the Maritime Provinces is generally satisfactory; Quebec recently put out a short loan at the extremely low rate of 1%; Ontario finds no difficulty in borrowing money on practically a parallel basis with the Dominion; there has been a marked improvement in the financial position of Manitoba; from British Columbia we learn that Provincial revenues are high and the budget has been able to take care of all expenditures except direct relief and some Sinking Fund requirements. The condition of Saskatchewan seems sound but is strained and their securities are at lower levels. In Alberta while conditions are favorable and revenue is more buoyant the Provincial finances are bedevilled by Social Credit policies largely directed by theorists from England.

The municipal financial picture is better. No more major defaults have taken place and the readjustment in Ontario municipalities is proceeding surely if slowly and at least in one case, the border cities, now the City of Windsor, the problem has been solved. Also the financial affairs of the two large cities of Edmonton and Calgary in Alberta appear to be on the point of solution. Altogether the picture in public financing is brighter though the market for some classes of securities is still practically non-existent.

BUSINESS CONDITIONS

Turning to business conditions and dealing first with agriculture—Ontario experienced an excellent year. Field crops including grain, hay, roots, and tobacco have been abundant and prices have remained at satisfactory levels. The growers of fruit have had good yields and average prices and the market for dairy products and livestock of all kinds has been strong with prices satisfactory. The wheat crop in Manitoba is reported to be worth in money \$52,000,000 compared with \$25,000,000 last year due to increase in yield

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and market prices. It is the best paying crop I think over a period of ten years. In Saskatchewan the results were not good, a very large area returning nothing on account of drought. The yield of wheat for the entire Province has been placed at 38,000,000 bushels whereas the average yield for ten years 1922 to 1931 was 208,000,000 bushels and the largest crop recorded was in excess of 300,000,000 bushels in 1928. Coupled with this the drought produced a very serious shortage of feed and much livestock had to be shipped out or slaughtered or otherwise disposed of. To sum up, the estimated gross revenue from agriculture in the Province of Saskatchewan is estimated at \$74,000,000 for 1937 compared with \$181,000,000 in 1936. Reports state that in many places in the drought area more rain fell in the months of September and October this year than in the same period in the five preceding years combined, so that the outlook for the future is better. In Alberta, while there was a partial and even total crop failure in some parts, there was generally a good harvest. Moreover there was a very substantial export of beef cattle to the United States and prices for all kinds of livestock were better than for some years. Recent estimates place gross agricultural revenue of Alberta for 1937 at \$171,000,000 compared with \$143,000,000 in 1936 and altogether most of the agriculturists of that Province have not much to complain about. Conditions in Quebec and the Maritime Provinces are also reported satisfactory.

The livestock industry benefited by the cutting of the United States Customs duty by \$9.00 per head on cattle. This year thus far shipments to the United States have exceeded 185,000 head of which 175,000 were beef cattle, the financial gain to the industry being in excess of \$2,000,000. Great Britain continues to be the principal market for our surplus hog products. The quota is 280 million pounds annually. Our exports of hog products to Great Britain have risen from 11 million pounds in 1931 to an estimated 190 million pounds in 1937. The latest available statistics supplied to me estimate the total gross revenue from agriculture in Canada at \$1,097,000,000 for 1937 compared with \$1,061,000,000 in 1936.

FOREIGN TRADE

Foreign trade has grown substantially and Canada now ranks fifth among the trading nations of the world. Our

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credit balance last year was near to \$400,000,000 and will be only slightly less this year. The nature of our products gives us an advantage in world markets. Canadian wheat is at a premium; our gold of course is in demand everywhere and the demand for our forest products including pulp and paper is wide. We can compete with all nations in the production of base metals and our nickel is a practical monopoly.

MANUFACTURING

In point of dollar value our leading manufacturing industry is the food products group, and I am informed this department of industry is at the highest level it has ever been. Iron and steel has made a new record in production. Demand for machinery shows marked improvement and although agricultural implements are behind the high levels of the past, the demand both at home and abroad is more active than for some years. Textiles have continued active all year and orders are booked ahead for some time. Generally, industrial activity in 1937 was substantially greater than in 1936 and in many important industries will set a new record.

LUMBERING

Lumbering in all parts of Canada has been active, but latterly in British Columbia has slowed up due to increased ocean rates and lack of demand in the United States market. In Ontario both production and prices are well maintained and although costs have substantially increased the industry is prosperous, with this year's cut contracted for. Over the whole of Canada production will probably be 10% ahead of last year. While we depend largely on export markets, return of a normal building activity at home will immediately benefit this industry. Employment is not far behind the 1926 level.

MINING

Mining is active and prosperous right across Canada. Estimated production of all mineral for 1937 is \$435,000,000, a generous increase over last year. Gold continues to make new records year by year and the estimated production for 1937 is \$145,000,000. It is interesting to note that the Province of Manitoba will produce gold this year to an

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approximate value of \$6,000,000. General production of all minerals for the first half of the year shows an increase of 15%. Copper, nickel, zinc and lead are all substantially increased. Even coal shows a small gain. The industry is on a sound basis, paying substantial wages to many, reasonable dividends to owners and adding materially to Government income through various forms of taxation.

Oil and natural gas principally in Alberta has shown tremendous development throughout the year. The oil industry bids fair to become one of the principal sources of wealth in that Province. It seems to be largely a question of marketing.

CONSTRUCTION

The slowest of all industrial activities to respond to better times, construction nevertheless shows an increase in volume of about 25% over the preceding twelve months. Employment is approximately 75% of normal, taking the year 1926 as par for this industry. The Home Improvement Plan has done a great deal to help small contractors as well as manufacturers of household fixtures, and those responsible for the conception and carrying out of this Plan are worthy of the highest commendation. The total amount of loans made under this Plan by all the Banks up to 30th October amount to the substantial sum of \$11,000,000. The volume of construction work contracted for but unfinished is considerably more than last year.

PAPER PRODUCTS

Production in newsprint reached a new high in June with an output to the value of some \$11,000,000. Prices of newsprint have increased by \$5.00 to \$7.50 per ton largely offset by increased costs. It is interesting to note that the market for newsprint has recently been expanded by a contract to supply 175,000 tons annually to the Antipodes at a cost based on the New York price.

STOCK MARKET

For the last two or three months there has been a persistent weakness in the stock market both in the United States and

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Canada bringing stocks of all kinds to lower levels than at any time since the slump of 1929. Speculation was rife both in the United States and Canada and it only needed the adoption of regulatory policies by the Government of the United States, at least I take that to be the principal cause, to bring about a weakening of the structure which rapidly brought securities of all kinds to much lower levels. The situation appears to be flattening out and while no one can forecast much improvement in prices there is no doubt that many valuable stocks are selling below what would ordinarily be accepted as their value.

The conclusions that I arrive at are that we may look with some confidence for increased and more profitable business for your Bank in spite of the low rates prevailing on investment securities, which perforce must constitute a large proportion of a bank's assets. The business of the Canadian Banks has grown and is still growing in what appears to be a healthy fashion and I see no reason why that should not continue and that with the upswing in commercial business we may expect at least as profitable a year for this Bank in 1938 as has been enjoyed in 1937. Canada is sound and has a virile and industrious population, natural resources of every kind, sound government, and a broad outlook and will not easily be turned aside from reaching the full fruition of her destiny.

I have been assisted in preparing these remarks by very comprehensive letters received from Managers of practically all of our Branches, which are very much appreciated and for which I take this opportunity of thanking them. I also wish to thank all the members of the Executive and every member of the staff for their loyal co-operation and for the work they have done which has brought about such satisfactory results in the year's business. I also wish to extend to the Chairman of the Board, the Vice-Presidents and Directors, my sincere appreciation of the support and assistance they have unfailingly rendered to me throughout the year.

I now beg to move, and will ask Colonel John F. Michie to second, that the Report which has been read be adopted, printed and circulated amongst the Shareholders.

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COL. J. F. MICHIE: I have pleasure in seconding the motion.

The Report was then unanimously adopted.

It was moved by Mr. A. R. Capreol, seconded by Mr. S. H. B. Grasett, and resolved:—

That A. B. Shepherd, F.C.A., of Peat, Marwick, Mitchell and Company, and D. McK. McClelland, F.C.A., of Price, Waterhouse and Company, be appointed Auditors of the Bank for the ensuing year at a remuneration not to exceed \$10,000.

It was moved by Mr. J. G. Ramsey, seconded by Mr. Peter White, K.C., and resolved:—

That the thanks of the Shareholders are due and are hereby tendered to the Chairman of the Board, the President, the Vice-Presidents and Directors of the Bank for their services during the past year.

Mr. Frank A. Rolph, Chairman of the Board, replied.

It was moved by Mr. F. G. Venables, seconded by Mr. A. M. M. Kirkpatrick, and resolved:—

That the thanks of the Shareholders be given to the General Manager, the Assistant General Managers and other officers of the Bank for their attention to the interests of the Bank and for the efficient performance of their respective duties.

Mr. A. R. B. Hearn, Manager, Montreal Branch, and Mr. J. W. McDiarmid, Manager, Prince Albert Branch, replied.

It was moved by Mr. W. M. Douglas, seconded by Mr. H. F. Vigeon, and resolved:—

That the Ballot Box be now opened for the receipt of ballot papers for the election of fifteen Directors, the poll to close as soon as three minutes shall have elapsed without a vote being tendered.

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The Scrutineers subsequently reported the following having been duly elected Directors for the ensuing year:—

Frank A. Rolph, A. E. Phipps, Col. J. F. Michie, R. S. Waldie, George C. Heintzman, J. W. Hobbs, Walter C. Laidlaw, John A. Northway, G. H. Aikins, K.C., H. E. Sellers, R. O. McCulloch, W. B. Woods, Arthur L. Bishop, E. E. Buckerfield, C. Gordon Cockshutt.

The meeting then adjourned.

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WE maintain direct relations with leading Banks in Great Britain, the United States and other countries throughout the world, and are thereby enabled to afford our customers a most comprehensive Foreign Banking Service.

We are extensive dealers in
STERLING, UNITED STATES
AND OTHER
FOREIGN EXCHANGES

and through our private wire connections with important financial centres are able to quote the best possible rates.

Information or advice regarding the financing of imports and exports will be gladly furnished by Branch Managers or by the

BRITISH & FOREIGN DEPARTMENT

HEAD OFFICE:
TORONTO

H. D. SCOTT,
Superintendent of Foreign Business



